The Saskatchewan
Water Appeal Board

# Annual Report 2014–2015

# Saskatchewan Water Appeal Board

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Her Honour V. S. Schofield
Lieutenant Governor of Saskatchewan
Government House
4607 Dewdney Avenue
REGINA, Saskatchewan
S4P 3V7

Dear Ms. Schofield:

It is my pleasure to submit to you the Annual Report for the Water Appeal Board for the fiscal year ending March 31, 2015.

Respectfully submitted,

Herb Cox
Minister of Environment

Honourable Herb Cox
Minister of Environment
Legislative Building
Regina, Saskatchewan

Dear Mr.Cox:

I am pleased to present the Annual Report of the Water Appeal Board for the fiscal year ending March 31, 2015.

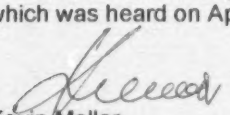
Respectfully submitted,

Kevin Mellor,
Chairperson

## Chairperson's comments

The decision to establish the Water Appeal Board in 1984 as an administrative tribunal reflects the technical nature of the questions raised before the Board respecting water resource management issues and disputes. The Water Appeal Board (WAB) ensures the system of water resource dispute resolution is effective, efficient and fair. The rules of natural justice apply to all Water Appeal Board proceedings and ensure fairness to all parties in a dispute.

There were four outstanding appeals at the beginning of the 2014-2015 fiscal year, which were heard in November and January of this fiscal year. There was one new appeal received in the 2014-15 fiscal year which was heard on April 17, 2015.



Kevin Mellor,
Chairperson

## BOARD MEMBERS

Kevin Mellor, Chairperson
Anson Road
Regina, SK
S4P 0E1

Carmen Sterling, Vice-Chairperson
Box 476
Weyburn, SK
S4H 2K3

John Van Eaton, Member
Box 93,
Maryfield, SK
S0G 3K0

Bryan Ireland, Member
168 Blue Sage Drive,
Moose Jaw, SK
S6J 1G7

Steve Lindsay, Member
Box 177
Arborfield, SK
S0E 0A0

Neal Hardy,Member
Box 292
Hudson Bay, SK
S0E 0Y0

**Table No. 1**

| Appeals/Hearings | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---|---|---|---|---|
| Waiting to be heard at beginning of year | 4 | 3 | 0 | 3 | 2 |
| New appeals filed | 1 | 4 | 3 | 0 | 1 |
| Appeals heard | 4 | 3 | 0 | 3 | -- |
| Appeals withdrawn and/or dismissed | -- | | -- | 0 | -- -- |
| Appeals filed but not accepted | -- | 1 | 0 | -- | - |
| Appeals waiting to be heard at year end | 1 | 4 | 3 | 0 | 3 |
| Appeals ordered to be heard or re-heard from the Queen's Bench | -- | -- | 0 | -- | 2 |
| Appeals re-heard per Queen's Bench Order | -- | -- | 2 | -- | -- |
| Board meetings | 6 | 7 | 6 | 5 | 4 |
| Decisions rendered | 3 | 2 | 2 | 1 | -- |
| Decisions rendered on appeals re-heard per Queen's Bench Order | -- | -- -- | 2 -- | -- | |
| Decisions outstanding | 2 | 1 | 0 | 2 | -- |
| Water Security Agency decisions affirmed | 2 | 2 | 4 | 1 | -- |
| Water Security Agency decisions varied or overturned | 1 | -- | -- | -- | -- |
| Decisions appealed to the Court of Queen's Bench | -- | -- | 1 | -- | -- |

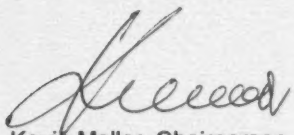
## BOARD'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

The Water Appeal Board consists of six members appointed by the Lieutenant Governor in Council. The Board is responsible for financial administration, administration of the funds and management of the assets.

The financial statements which follow have been prepared in conformity with accounting principles generally accepted in Canada and have been approved by the Board. The Board uses internal controls and exercises its best judgement in order that the financial statements reflect fairly the financial position of the Board.

The financial statements have been examined by the Provincial Auditor whose report follows.



Kevin Mellor, Chairperson
Regina, Saskatchewan
July 17, 2015

## INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of Water Appeal Board, which comprise the statement of financial position as at March 31, 2015, and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Opinion*

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Water Appeal Board as at March 31, 2015, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Judy Ferguson

Regina, Saskatchewan
July 6, 2015

Judy Ferguson, FCPA, FCA
Provincial Auditor



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# WATER APPEAL BOARD
## STATEMENT OF FINANCIAL POSITION
## As at March 31, 2015

| | 2015 | 2014 |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| Cash | $ 25,098 | $ 41,304 |
| Accounts receivable | 8 | 18 |
| | 25,106 | 41,322 |
| **LIABILITIES** | | |
| Accounts payable | 20 | 1,759 |
| Appellant deposits (Note 3) | 600 | 1,000 |
| | 620 | 2,759 |
| **NET FINANCIAL ASSETS** | 24,486 | 38,563 |
| **ACCUMULATED SURPLUS (Statement 2)** | $ 24,486 | $ 38,563 |

(See accompanying notes to the financial statements)

# WATER APPEAL BOARD
## STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
### For the Year Ended March 31

| | Budget (Note 6) | 2015 Actual | 2014 Actual |
|---|---|---|---|
| Revenues: | | | |
| Transfer from General Revenue Fund – Ministry of Environment | $ 77,060 | $ 35,000 | $ 31,305 |
| Interest | -- | 218 | 174 |
| Appellant fees (Note 3) | -- | 400 | 400 |
| Other | -- | -- | 20 |
| | 77,060 | 35,618 | 31,899 |
| Expenses: | | | |
| Board honoraria | 20,815 | 9,602 | 4,708 |
| Travel and sustenance | 15,910 | 4,374 | 3,100 |
| Secretarial services | 16,680 | 24,266 | 16,188 |
| Professional fees | 8,640 | -- | 175 |
| Office supplies | 3,555 | 3,554 | 2,925 |
| Meeting room rental | 3,200 | 2,391 | 1,261 |
| Office rental | 4,800 | 3,648 | 4,707 |
| Telephone | 2,460 | 1,720 | 1,195 |
| Accounting and printing services | 1,000 | 140 | 326 |
| Office Equipment | -- | -- | 1,492 |
| | 77,060 | 49,695 | 36,077 |
| (Deficit) for the period | $ -- | (14,077) | (4,178) |
| Accumulated surplus, beginning of period | | 38,563 | 42,741 |
| Accumulated surplus, end of period (Statement 1) | | $ 24,486 | $38,563 |

(See accompanying notes to the financial statements)

## WATER APPEAL BOARD
## STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
### For the Year Ended March 31st

| | 2015 Budget (Note 6) | 2015 Actual | 2014 Actual |
|---|---|---|---|
| **(Deficit) for the period** | -- | $ (14,077) | $ (4,178) |
| (Decrease) in net financial assets | -- | (14,077) | (4,178) |
| Net financial assets, beginning of period | 38,563 | 38,563 | 42,741 |
| **Net financial assets, end of period** | $ 38,563 | $ 24,486 | $ 38,563 |

(See accompanying notes to the financial statements)

# WATER APPEAL BOARD
## STATEMENT OF CASH FLOWS
### For the Year Ended March 31st

| | 2015 | 2014 |
|---|---|---|
| Cash flows from (used in) operating activities: | | |
| Transfer from General Revenue Fund – Ministry of Environment | $ 35,000 | $ 31,305 |
| Receipts from appellants | 200 | 800 |
| Receipts from customers | -- | 277 |
| Interest received | 227 | 156 |
| Deposits returned to appellants | (200) | -- |
| Payments to board members for honoraria, travel and sustenance | ( 14,235) | (9,269) |
| Payments to suppliers | ( 37,198) | (28,321) |
| | ( 16,206) | (5,052) |
| Net Increase (decrease) in cash | (16,206) | (5,052) |
| Cash, beginning of period | 41,304 | 46,356 |
| Cash, end of period | $ 25,098 | $ 41,304 |

(See accompanying notes to the financial statements)

## 1. Authority

The Water Appeal Board (Board) was established under *The Water Appeal Board Act*, on July 1, 1984. The purpose of the Board is to hear and determine appeals made pursuant to *The Water Security Agency Act, 2005*.

Ongoing operations of the Board are dependent on the funding from the Government of Saskatchewan.

The Water Appeal Board is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards. The Water Appeal Board maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to obtain reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are maintained

## 2. Significant Accounting Policies

Pursuant to standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants Canada, the Board is classified as an other government organization. The financial statements have been prepared in accordance with Canadian public sector accounting standards. The following accounting policies are considered significant.

a) Revenue

The transfer from the General Revenue Fund- Ministry of Environment is recognized in the period during which it is authorized and any eligibility criteria have been met.

b) Appellant fees

Appellant deposits are recognized as appellant fee revenue when the appeals have been heard and decided against the appellant.

c) Statement of Remeasurement Gains and Losses

A statement of remeasurement gains and losses has been omitted as there were no relevant transactions to report

## 3. Appellant Deposits

Appellant deposits are held by the Board until the appeals have been heard and the decisions rendered. Once the decisions have been rendered by the Board these deposits are dealt with in one of two manners:

i) The deposit is returned if the appellant has been successful in his/her appeal.

ii) The deposit is retained by the Board and recorded as income if the appellant is not successful in his/her appeal.

There were four outstanding appeals at the beginning of the 2014-2015 fiscal year, which were heard in November and January of this fiscal year. There was one new appeal received in the 2014-15 fiscal year which was heard on April 17, 2015.

## 4. Financial Instruments

The Board's financial instruments include cash, accounts receivable, accounts payable and appellant deposits. The fair value of these instruments approximates their carrying value due to the immediate or short-term nature of these financial instruments. These instruments have no significant interest rate and credit risk.

## 5. Related Party Transactions

These financial statements include transactions with related parties. The Board is related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Board is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. These transactions, and amounts outstanding at year end, are as follows:

As of February 1st, 2015, the Water Appeal Board no longer incurs the expense of rent. The Board's office space has relocated to Lloyd Place and the Ministry of Environment is providing the office space without charge.

| Category | | 2015 | 2014 |
|---|---|---|---|
| Revenue | - Other | $ 0 | $ 0 |
| Expenses | - Office rental | 3648 | 4,707 |
| | - Telephone | 1720 | 1,090 |
| | - Mail services | 240 | 260 |
| Accounts receivable | | 0 | 0 |
| Accounts payable | | 20 | 145 |

The Board pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases. Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

## 6. Budget

These amounts represent the budget approved by the Water Appeal Board on February 20, 2014.